**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

CARLTON TECHNOLOGIES, INC.,	)	
	)	
Plaintiff,	)	Case No. 07 C 06757
	)	Judge Coar
v.	)	Magistrate Judge Mason
	)	
JEFFREY GRAFSTEIN	)	
and BIZ 120, INC.,	)	Trial by Jury Demanded
	)	
Defendants.	)	

REPORT OF PARTIES' PLANNING CONFERENCE

Pursuant to this Court's Order, John M. Dickman and Sheila P. Frederick representing Plaintiff, and Chad W. Moeller representing Defendants, conferred on February 21, 2008 pursuant to Rule 26(f) to discuss:

1.   the nature and basis of their claims and defenses;

2.   the possibilities for a prompt settlement or resolution of this case;

3.   to make or arrange for the disclosures required under Rule 26(a)(1); and

4.   to develop a discovery plan.

To that end, the parties propose the following:

A.   The issues in this case may be simplified by taking the following steps: no suggestions.

B.   The following modifications to the discovery requirements of the Federal Rules of Civil Procedure or Local Rules should be made in order to expedite discovery:

1.   The parties agreed that any motions to compel must be filed within thirty (30) days of receipt of written objections or the failure of a party to comply with a discovery request.

C.   Discovery will be needed on the following subjects:

1.   Plaintiff will seek discovery on the following subjects, among others:

    a.   Defendants' alleged pre-termination competitive activities;

    b.   Defendants alleged taking and use of Plaintiff's documents and information;

    c.   Defendants' profits and Plaintiff's losses caused by the alleged wrongful activities of Defendants; and

    d.   Defendants' alleged solicitations and contacts with Plaintiff's customers.

2.   Defendants will seek discovery on the following subjects, among others:

    a.   The confidential nature of the information over which Plaintiff claims trade secret status;

    b.   The near-permanency of Plaintiff's relationships with its customers;

    c.   Plaintiff's release of Defendant to service certain of Plaintiff's customers;

    d.   Plaintiff's attempts to mitigate its alleged damages; and

    e.   Plaintiff's alleged unclean hands in entering into a contract with Defendant Biz 120 to provide certain goods and/or services, failing to pay for those goods and/or services, and then suing Defendants only after being sued by Defendant Biz 120 in state court for failing to pay for the goods and/or services.

D.   Discovery should not be conducted in phases.

E.   Discovery is likely to be contentious and management of discovery should be referred to the Magistrate Judge. Yes_____ No_X_ (*see* response to F., below)

F.   The parties consent to this matter being referred to Magistrate Judge Mason for final disposition.

G.   The parties have discussed the possibility of alternative dispute resolution and concluded that they are willing to consider the possibility of mediation after some discovery has

been conducted.

H.   The parties have discussed a prompt settlement or other resolution of this matter, but, to date, Plaintiff has not made a written demand. Defendants stand ready and willing to discuss settlement at any time. The parties are willing to consider the possibility of mediation after some discovery has been conducted.

I.   The Court should consider the following methods of expediting the resolution of this matter: none.

Plaintiff   Defendants

By: /s/ John M. Dickman_____   By: /s/ Chad W. Moeller_____
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ENTERED

By:_____
David H. Coar
United States District Judge
Northern District of Illinois

Dated:_____